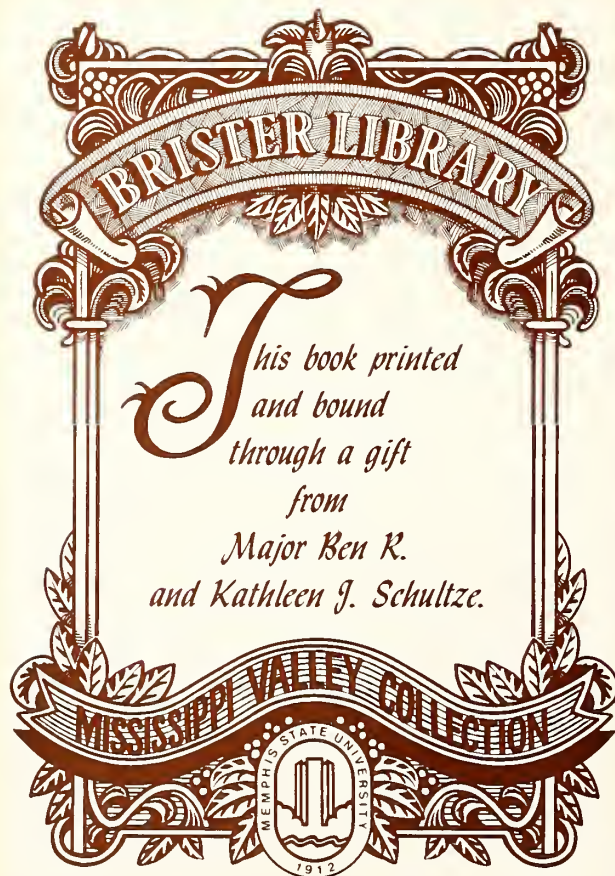


ORAL HISTORY OF THE
TENNESSEE VALLEY AUTHORITY
INTERVIEWS WITH
JOSEPH SWIDLER

BY CHARLES W. CRAWFORD
ORAL HISTORY RESEARCH OFFICE
MEMPHIS STATE UNIVERSITY



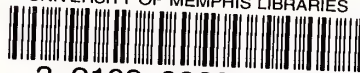
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ORAL HISTORY OF THE TENNESSEE VALLEY AUTHORITY

INTERVIEWS WITH JOSEPH SWIDLER

OCTOBER 29, 1969

DECEMBER 8, 1969

BY CHARLES W. CRAWFORD

ORAL HISTORY RESEARCH OFFICE

MEMPHIS STATE UNIVERSITY

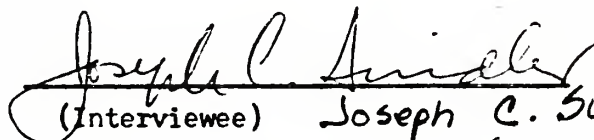
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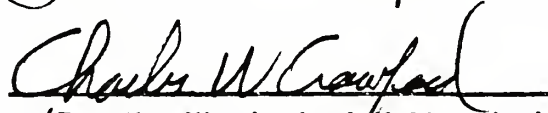
I hereby release all right, title, or interest in and to all or any part of my tape-recorded memoirs to the Mississippi Valley Archives of the John Willard Brister Library of Memphis State University, subject to the following stipulations:

1. I shall be furnished with a copy of the transcript and shall be free to use it myself in any way.
2. The material will not be used by others for the next ten (10) years except with my approval. However, I have little doubt that such approval would readily be granted.

PLACE Washington, D.C.

DATE October 29, 1969


(Interviewee) Joseph C. Swidler


(For the Mississippi Valley Archives
of the John Willard Brister Library
of Memphis State University)

THIS IS THE ORAL HISTORY RESEARCH OFFICE OF MEMPHIS STATE UNIVERSITY. THE PROJECT IS AN ORAL HISTORY OF THE TENNESSEE VALLEY AUTHORITY. THE DATE IS OCTOBER 29, 1969. THE PLACE IS WASHINGTON, D.C. THE INTERVIEW IS WITH MR. JOSEPH SWIDLER, FORMERLY WITH THE TENNESSEE VALLEY AUTHORITY. THE INTERVIEW IS BY DR. CHARLES W. CRAWFORD, DIRECTOR OF THE MEMPHIS STATE UNIVERSITY ORAL HISTORY RESEARCH OFFICE. TRANSCRIBED BY ELIZABETH SHELTON.

INTERVIEW I.

DR. CRAWFORD: Mr. Swidler, I suggest that we start by getting some sort of summary of your early life-- background, your education, and experience before becoming associated with the Authority. Then let's proceed into what situation you found and what action you took part in with TVA.

MR. SWIDLER: Very good. I am a native Chicagoan, a product of the Chicago grade and high school systems. I went to a number of schools for my undergraduate work. I received a Ph.B. from the University of Chicago in 1929, (a year late, I might say) and a J.D. in 1930. Is that enough to paint the picture?

DR. CRAWFORD: Yes, sir, that is the sort of thing we would like to get.

MR. SWIDLER: My first employment, as it happened, was with David Lilienthal, and this association was ultimately responsible for my working for TVA. At the time I got out of the law school in the spring of 1930, Mr. Lilienthal was practicing in Chicago. It was a special kind of practice. He had

a rather unique arrangement with Commerce Clearing House, a firm of publishers of legal periodicals, to produce a series of volumes, state by state, on public utility regulation. This had already been launched several years before, although the set was incomplete at the time that I joined him. In addition, he participated in some legal work. I remember that he worked on the Illinois Bell Telephone Case. He also had one or two labor clients.

After I had worked for him for about a year, mostly in editorial work and acquiring a background in public utility operations and regulation, Phil Lafollette was elected governor of Wisconsin and asked Mr. Lilienthal to become a member of the Wisconsin Public Service Commission. Mr. Lilienthal accepted in 1931, and left with his two professional employees the work on the legal periodicals, as well as what little active practice survived his leaving. My partner, the other man, I should say, was Harry R. Booth, and we sat up the law firm of Booth and Swidler, of which we were the only members.

DR. CRAWFORD: Was that still in Chicago?

MR. SWIDLER: That was in Chicago. Mr. Lilienthal retained whatever contract arrangements he had with Commerce Clearing House, or settled them out with Commerce Clearing House, and we became, virtually, employees of Commerce Clearing House, which suited neither of us. This arrangement gradually deteriorated over a period of a couple of years as the transition was made from a law practice with editorial work on the side to becoming virtually editorial employees of Commerce Clearing House.

At about the time, deep in the depression, when this arrangement became so unsatisfactory that other arrangements became necessary, the New Deal came into power, and I took on a job in Washington as Assistant Solicitor of the Department of the Interior--one of several Assistant Solicitors. During the period that Booth and I practiced law together, we represented an organization of civic-minded citizens interested in public utility matters called the Public Utility Consumers and Investors League. Among the officers of this organization were Harold Ickes and Paul Douglas. The transition from Chicago to work in Washington was facilitated by the fact that I had come to know Mr. Ickes before he became Secretary of the Interior. Apparently, he was reasonably well-impressed with my performance.

DR. CRAWFORD: Where was Mr. Douglas at that time, sir?

MR. SWIDLER: Paul Douglas at that time was at the University of Chicago as a professor of economics. I had known him there when I audited one of his classes, and of course, I came to know him better as one of the moving figures in this Public Utility Consumers and Investors League, which I might say intervened in rate and certificate cases before the Illinois Commerce Commission. I can remember making a fight before the Commission on trying to secure some of the benefits of the reduction in cost when the People's Gas Company of Chicago switched from manufactured gas to natural gas. This was during the Insull days. I remember that we had quite a job being heard in the Illinois and the Chicago of that period. I can remember being cited for contempt by the Illinois Commerce Commission and

being defended by Mr. Ickes in that proceeding.

DR. CRAWFORD: Can you tell me something more about that League, Mr. Swidler? Who organized it?

MR. SWIDLER: The moving figures, I think, were Professor Douglas and Mr. Ickes and some of the large commercial interests. I forget the names of the hotels. But the owner of one of the larger hotels in Chicago was also a moving figure.

DR. CRAWFORD: And what was the outcome of your contempt case?

MR. SWIDLER: Well, actually, this was more an expression of irritation on the part of the Commission, which had no contempt jurisdiction. The proceeding was brought on account of a fancied slur on the Commission for being under the thumb of Mr. Insull. Real or fancied, it happened to be the truth, at any rate. And confronted by their lack of authority, the proceeding was dropped.

I served here in Washington in the Interior Department very happily for about six months. This was during the so-called "First Hundred Days of the New Deal." There was a great flurry of activity here. I was immersed in many fields which opened up to me--the world of oil and gas regulation, Indian affairs, and the construction program of the Bureau of Reclamation, the manifold responsibilities of the Interior Department.

DR. CRAWFORD: Was that in the spring of 1933, Mr. Swidler?

MR. SWIDLER: I came here in late May of 1933.

DR. CRAWFORD: Did Mr. Ickes ask you to come?

MR. SWIDLER: Yes, Mr. Ickes asked me to come.

DR. CRAWFORD: Did you think of that as a permanent move, or did

you still consider your home as Chicago?

MR. SWIDLER: I was then twenty-six years old. I don't know that the word is "permanent." I was in the job only six months as it turned out, but I did regard it as a fundamental turn in my career, and I had no intention to return to Chicago at any particular time. I think I was really too young and too preoccupied to be thinking that far ahead.

DR. CRAWFORD: What did you do with the law firm of Swidler and Booth?

MR. SWIDLER: The law firm of Swidler and Booth was dissolved shortly before that time.

DR. CRAWFORD: What contact did you maintain with Mr. Lilienthal?

MR. SWIDLER: We maintained fairly good contact. My relations with him were excellent. As a matter of fact, during this period on one or two occasions I was retained by the Wisconsin Public Service Commission for some special studies, and we remained personal friends. He was appointed a member, not the chairman, but a member of the TVA Board, I think, in July--in early July. The TVA Act had been passed on May 18, 1933. Chairman Morgan had been appointed shortly thereafter, and it was some weeks later that Mr. Lilienthal became a member.

Within a few days after he became a member, he asked me to join him in Knoxville. The Board was shaping up in a way which gave him primary responsibility for power matters. The Chairman, Arthur Morgan, was primarily responsible for the construction program and for many of what you might call the general welfare programs. Harcourt Morgan was the specialist in fertilizer and

agricultural matters.

Arthur Morgan had been an engineer, specializing in the hydraulic area, and it was natural that the problems in connection with the construction program of the TVA should fall into his lap.

Lilienthal asked me to come down as what was called the "Power Attorney." At that time TVA had no general counsel. He had persuaded a man named William Southerland to head up the legal work, with the title of Solicitor. He was a tax attorney in Atlanta, a very distinguished alumnus of Harvard Law School and a former clerk of one of the Supreme Court Justices, (I forget whether it was Holmes or Brandeis). Lilienthal had known him, I believe, through his Harvard connections. Sutherland is still practicing law. His firm practices in both Atlanta and Washington, and Mr. Sutherland right now lives in Washington. I presume that he will also be interviewed in this series, and he should be. He was working, that is to say, on a part-time basis. The questions of organizational structure were not raised sharply. As a practical matter I worked directly for Mr. Lilienthal, and this seemed to suit Mr. Sutherland.

DR. CRAWFORD: What was your title at that time, Mr. Swidler?

MR. SWIDLER: Power Attorney.

DR. CRAWFORD: What month did you leave Washington for Knoxville?

MR. SWIDLER: If my memory serves me, on November 7, 1933.

DR. CRAWFORD: When did you decide to make the change from Washington to Knoxville?

MR. SWIDLER: I was attracted by the offer from the beginning, and I don't remember that I took very long after I

was asked to join Mr. Lilienthal before I agreed to come.

DR. CRAWFORD: Was this in July that you received the invitation from Mr. Lilienthal?

MR. SWIDLER: I think so. It may have been August. I told him that it would take some time to extricate myself. He put me under great pressure to leave as soon as I could. The pressure increased with time. The TVA had negotiated an agreement with the city of Tupelo to sell power to the city system from the Wilson Dam, which the TVA had inherited, and he was relying on me to write that contract. A signing ceremony had already been agreed upon, I believe, late in November, and as that date approached he became very, very frantic in trying to pry me loose so that I could come down and get the contract written.

DR. CRAWFORD: Were you able to start that work in Washington, or did you have to wait until you reached Knoxville?

MR. SWIDLER: I did that and some other work while I was still here in Washington working for the Interior. It didn't prove easy to leave. I had assumed that I was a very small cog in the Interior machine and that there would be no great problem in securing acquiescence in my leaving. It didn't work out that way.

DR. CRAWFORD: What did Mr. Ickes think of your leaving?

MR. SWIDLER: Mr. Ickes was a man who expected a great deal of loyalty. He considered this to be a failure of loyalty on my part. He thought that I should have consulted him before I made a commitment. He offered me some inducement to stay, including a promotion. But by that time I had my promises

to Mr. Lilienthal, he had relied upon them in his own work at TVA, the crisis was approaching in the writing of the contract, and I could not change my mind.

DR. CRAWFORD: What was your position with the Interior Department at that time?

MR. SWIDLER: I was one of the Assistant Solicitors, but because of our past association...the Chief Solicitor, I might say (or Solicitor--he wasn't called Chief Solicitor) was a man named Nathan Margold, who later became a judge. He was a very fine man and an excellent lawyer. The Deputy Solicitor was Charles Fahy, who later became counsel for the National Labor Relations Board, held various other distinguished positions, was chief judge of the United States Court of Appeals for the District of Columbia, and is still a member of that court, serving on a retirement basis. And still, I am happy to say, a good friend.

DR. CRAWFORD: Why did you decide to choose the Tennessee Valley Authority over the Department of the Interior?

MR. SWIDLER: One of the reasons was the opportunity to work directly with Mr. Lilienthal. I thought I would have more room, more initiative, that I would have a large policy role at TVA in this new organization than I could expect at the Interior Department. This may or may not have been a wise personal decision. No one can tell what may or may not have happened had I stayed; but others of my contemporaries in the Washington of that day, including Abe Fortas, with whom several of us shared a house in Chevy Chase at that time, found a great deal of scope for advancement here, and it is possible that I might

have done the same. But I don't regret the choice that I made, and I had a very interesting time.

DR. CRAWFORD: Apparently, you had two career opportunities that were rather evenly balanced. It must have been a difficult decision. Was it the challenge of a new organization, of doing something different?

MR. SWIDLER: Yes, I think it was not so much that it was new and different, but that it had a specific, clear-cut program in which I could believe. The Department of the Interior is an ancient bureaucracy with many, many programs--some of them in conflict with each other, many of them out of steam, in need of new ideas and rejuvenation, and didn't seem to me to offer the same opportunity for achievement that TVA did. I think this was the crucial thing; although, undoubtedly, the pleasure of my association with Mr. Lilienthal played a part.

DR. CRAWFORD: When did you first become familiar with the concepts of TVA?

MR. SWIDLER: Very early as someone who had always been interested in the power field and in resource development, and who didn't come to work for Mr. Lilienthal by accident.

This might be worth a parenthetical word. When I got out of law school I had two primary interests. I'm not sure how I happened to light on them, but one of them was in the power field and the other was in labor. The only man I knew who combined those two subjects in his own legal career was Donald Richburg, practicing in Chicago. He had won some recent victories in both

areas in the courts. In that way by the newspaper reports, I was familiar with his career. He was already a very distinguished person. As I am sure you know, he later became chairman of the War Production Board and had various other governmental roles.

Anyway, I went to see him. It was not my ambition to go to work for one of the large law firms in Chicago. Most of them at that time, the ones that were prospering at least during the worst of the depression period, were doing receivership and foreclosure work. It was remunerative, but it wasn't very pretty. It was heavily involved with the politics of Chicago and with the judges immersed in that politics. I had a desire to work in a field that offered some achievement other than the money. At any rate, when I went to Richburg, he said that he had contracted his practice--that he had no associates or employees and didn't plan to put on any. He reminded me (and I say reminded because I had become aware of it from a notice that I had read somewhere) that Lilienthal was looking for someone to join him. He said that he was the only man he knew who worked in both of these areas, and he recommended that I go and see him. I mention this background because you asked how did I know about TVA. I had followed, I think, all of the Norris bills since 1930, and other developments, at least in the public utility area, which has been my area of specialization. So I think I had a pretty good general background in the origins of TVA at the time that this offer was made.

DR. CRAWFORD: What were your initial impressions of the New Deal itself, say during or after the election of 1932?

MR. SWIDLER: As a political liberal, of course, I was very happy

with the emergence of a positive program for using the resources of government to cure some of the economic and political evils of our time. I was delighted to be a part of it. I think had I found employment in Washington in one of the new programs of the administration I might not have gone to TVA, but most of those programs came later. The TVA was one of the first to get launched. This, I think, was one of the reasons that I acted quickly to become a part of it.

DR. CRAWFORD: You had no difficulty, then, in accepting the concepts of the New Deal and, particularly, the idea of TVA?

MR. SWIDLER: No, to me it seemed a badly needed and a very hopeful development.

DR. CRAWFORD: When did you develop your political ideas--liberal democratic--in college or after graduation?

MR. SWIDLER: I probably was a little more politically interested person than most from fairly early days. For example, as a freshman in high school I was on the debating team and interested in the political questions that we debated at that time. I can hardly remember a time when I was not deeply interested in politics.

DR. CRAWFORD: Was your family involved in political interests of any sort, social reform or anything?

MR. SWIDLER: No, not a bit, not a bit. My parents were both immigrants from Russia. My father was a small manufacturer, and not a very prosperous one. They were totally removed from any but the most cursory of political interests. I

think that I would probably have to say that I was probably the kind of a youngster who was introverted and given to reading rather than playing with the other boys in the neighborhood. Maybe this explains my orientation better than anything.

DR. CRAWFORD: You went to TVA with a generally favorable belief in it, didn't you?

MR. SWIDLER: Yes, I did. I have lived through the TVA fights. I was a great admirer of Norris. I was very happy when the TVA legislation actually passed, although before the announcement of Lilienthal's appointment, and even after, I had no idea that I would be involved in that program. I was satisfied and exhilarated with the life that I was then leading here in Washington. But simply as a matter of general political interest, this was, I thought, a very happy development.

DR. CRAWFORD: When did you come to Washington with the Department of the Interior?

MR. SWIDLER: It was in late May of 1933. I worked for TVA from first to last for about twenty-four-and-a-half years. I left in the summer of 1957. I say from first to last. During this period I was on loan to two other agencies for periods of six or seven months each. I don't remember the exact dates, but in substantially the last half of 1941 I was on loan to the Department of Justice and was in charge of the legal work of the Alien Property Bureau.

I N T E R R U P T I O N

MR. SWIDLER: This was, of course, the period which covered the entry of the United States into World War II. This

is something of a story in itself, and probably has no relevance to this TVA record. At any rate, early in '42, I went back to Knoxville. About six months later I was on loan to the War Production Board, where I served as a counsel for the Office of War Utilities in the War Production Board. Herbert Marks had taken that responsibility, but when the position of Chief of the Office of War Utilities was temporarily vacant, he had taken that job on an acting basis, and it was while he was serving as Acting Chief that I served as the acting head of the legal side of the Office of War Utilities.

DR. CRAWFORD: Was that a relatively slack time in legal affairs for TVA?

MR. SWIDLER: Yes, it was. In both periods it was a relatively slack time. It was between programs. Both were after the period of the major acquisitions of utility properties, which I participated in, and before the end of wartime controls made it possible to resume the growth of the TVA power system, except for satisfying the demands of the producers of war materials, including Oak Ridge.

I came back to Knoxville early in '43. Shortly thereafter I was drafted, and I served for two and a half years in the Navy, including two years here in Washington in the office of the Assistant Secretary of the Navy, who was then Mr. Forrestal. My immediate superior was Captain Lewis L. Strauss, later Admiral, later Chairman of the Atomic Energy Commission and Secretary of Commerce. I returned to TVA in November, 1945, and worked for TVA then without interlude until the summer of '57. I came back,

incidentally, as General Counsel. I had left as Solicitor. I was made General Counsel in absentia and served the last twelve years as General Counsel.

DR. CRAWFORD: Now, may we go back to 1933, in November, I believe it was, when you first arrived at the Tennessee Valley Authority. What were your first impressions, Mr. Swidler? Where did you live, what did your duties consist of, and with what people were you associated?

MR. SWIDLER: I had married here in Washington during the summer of 1933, and my new wife and I drove down to Knoxville in a second-hand car. We entered the Tennessee Valley on what I remember clearly as a very dreary, rainy, dark day. What made an indelible impression on me was the amount of gullying--the floods of red water running onto the road, the deep crevices in the hillsides. It was not a happy introduction. My wife caught a cold on the way down. We went to the Andrew Johnson Hotel. I remember Mrs. Lilienthal coming over and trying to help get Mrs. Swidler adjusted to her new situation in Knoxville.

Within a day or two, because of this power contract matter, perhaps it was the very next day, I had to leave Knoxville and go down to Muscle Shoals. This was my introduction to the Deep South. I had lived for six months in Miami and spent another six months at the University of Florida, but this was different.

To stay with the power contract for a moment, while I was in Washington I had collected various forms of contracts. I had tried to prepare myself for writing this document. This was more than merely an exercise in contract drafting, because this would

set the model for TVA's work in the power field. It had to incorporate whatever ideas we had in using the TVA program in the power field as a lever for economic improvement. We had to think through how this could be done and what kind of a relationship should be established between TVA and the cities which would act as distributors of the power. In addition to that, while there were some general ideas as to rates, both wholesale and retail, the details had never been formalized and much was still open for revision. This work on the substantive side had been entrusted to Llewellyn Evans. Is he still alive?

DR. CRAWFORD: Not to my knowledge, sir.

MR. SWIDLER: You think he's gone now? Wonderful old man! I saw him in Chattanooga at age 80, or something like that, a half-dozen years ago, still with enormous breadth of interests, a great deal of vitality. He had been the manager of the Tacoma, Washington, municipal power system, which was a system of a very low cost and very high usage. He was then making his headquarters at the Muscle Shoals power plant, which the TVA was taking over from the Corps of Engineers.

DR. CRAWFORD: Was there a belief then that the headquarters of TVA should be at Muscle Shoals?

MR. SWIDLER: The statute said that the headquarters should be at Muscle Shoals. It didn't say where the Board should work, and there is no point in my getting into the controversy whether Congress intended to dictate that the directors should live there. I'm on record on that. At any rate, they never moved there, and there is at present no controversy.

But Llewellyn Evans was there, and I had to work with him half of the time. So I took the train down to the Shoals. First I remember discussing with Lilienthal and with Bill Sutherland my conception as to how the contract should be written and my requests for instructions in the drafting. There were some later significant changes in contract form, but that Tupelo contract has set the pattern.

DR. CRAWFORD: Were you satisfied with the contract that you arranged with Tupelo?

MR. SWIDLER: For the initial effort, yes. I think that it worked out as a major support for the TVA programs.

It had features that were different from a simple contract of purchase and sale. It provided that the city should adhere to a specific set of rates, and provided a mechanism for adjustment of those rates. It established the principle that the benefits of the TVA power program should go to the ultimate consumers. It established the principle that it was more important to use low rates to improve the standard of living and to serve as an attraction for new industry and to stimulate industrial growth than it was to permit profits to be used--sucked out--in order to reduce local taxes. It provided that the city should pay a reasonable tax equivalent, and it specified a formula for that purpose in an effort to establish a business-like relationship between the consumer interests of the city on the one hand and the tax-paying interests of the city on the other. The contract was for twenty years, and it provided for all the adjustments which time might make necessary in that period. In effect, it included

a comprehensive system at retail rate reduction.

DR. CRAWFORD: Did you feel that you had enough information at that time to make the decision that you wanted to?

MR. SWIDLER: No, we didn't have enough time in writing the contract. We didn't have enough time for discussion. There was no opportunity to review drafts together and go over the various substantive provisions and the way they were phrased. TVA would never enter into a new type of contract of similar importance under the same circumstances again. In addition to that, Mr. Evans was more a prophet and a visionary than he was a disciplined organization man. He moved by instinct and by vision. There was not as much support for some of his calculations as I should have wanted. He was fairly fuzzy on many contractual matters. On the other hand, he had had a great deal of practical experience, and we worked well as a team. I can remember that we finished the contract so late that a courier had to drive post-haste from Muscle Shoals to Tupelo in order to place the contract on the table at the signing ceremony, which was a big municipal holiday. It was signed by both parties without their having the opportunity to read it. Just one of those last-minute things, due to the difficulties that I had had in breaking away from Washington and cleaning up my chores there.

DR. CRAWFORD: After completing the Tupelo contract, what was your next type of work with TVA?

MR. SWIDLER: I was active in both, you might say, the substantive and the legal side of the promotion of the power program. This was in a period of great controversy

between TVA and the private power companies.

DR. CRAWFORD: Were you involved in the work of the Ashwander case and the Eighteen Power Companies case?

MR. SWIDLER: Yes, I was. But before I get to that let me say that the next contract that I worked on was also one of the more important. It was the Commonwealth and Southern contract of January 4, 1934. I can't remember my present home phone number, but some of these early dates stand out in my memory.

Lilienthal and Wendell Willkie had patched together an agreement that was fairly complex. It provided for the use of certain transmission facilities of the Commonwealth and Southern companies by TVA. It provided that the Commonwealth and Southern companies would sell over more than a third of their Mississippi properties to TVA and some distribution properties in Alabama. The C. and S. system would serve, I recall, as the connecting link between Norris Dam, when it was completed, and Wilson Dam. The details, now, are fuzzy in my mind. This was the origin of the Ashwander case, because the Ashwander case was a suit by stockholders of the Alabama Power Company to enjoin Alabama Power Company, which was one of the four companies in the Commonwealth and Southern empire of Willkie, from fulfilling this contract. The next thing I worked on, as I say, was this contract where I participated with Mr. Lilienthal in the negotiations with Willkie. I hope to some effect. There were a number of changes made in the contract arrangement during the course of the negotiations in which I shared.

DR. CRAWFORD: What were your impressions of Mr. Willkie?

MR. SWIDLER: It's a little hard for me to disentangle the impression that I had of him at that time from the total impression that was left with me after I had had very close dealings with him in later years.

DR. CRAWFORD: Later during the 1930's?

MR. SWIDLER: During the 1930's, yes, when after this litigation was well along--some of it settled--we did come to terms with Mr. Willkie. J.A. Krug and I handled those negotiations. This was in a period when Mr. Lilienthal was ill. He did not participate except when we reported to him occasionally by phone and in meetings in his home in Norris. Krug and I were the team that took the burden of the talks with Mr. Willkie and his associates.

DR. CRAWFORD: Yes, sir, I talked to Mr. Krug about a month ago in Knoxville.

MR. SWIDLER: Is he living in Knoxville?

DR. CRAWFORD: Yes, he is living in Knoxville as the president of an asphalt company, and I believe that he is involved in some other business.

MR. SWIDLER: He has moved to Knoxville?

DR. CRAWFORD: Yes, sir.

MR. SWIDLER: This is news to me.

DR. CRAWFORD: Well, I think my first contact with him was here last summer, and he has moved there since.

MR. SWIDLER: That's very interesting to me.

DR. CRAWFORD: Did you live in Norris or in Knoxville at that time?

MR. SWIDLER: I lived in Knoxville the whole time, except for one year. I believe it was 1938-'39, perhaps '39-'40, when I lived in Norris. It must have been '39-'40, after these contracts had been negotiated and signed.

Well, you asked me what I thought of Willkie. This was a kind of a rough fight, and a lot of it was fought in the newspaper. The pressure on Willkie was from the community in the Tennessee Valley, his market area, which were electing, one by one, to acquire their own municipal electrical systems so that they could become distributors of TVA power.

Some of those elections were heated. It was a problem of massing public opinion one way or the other. The battle was also fought here in Washington where Willkie was seeking to mobilize official opinion and to generate a climate of opinion which would make it impossible for TVA to proceed with the program.

He had very good access to the press, both in Washington and in New York. This was a part of the arena. He was a man of bluff manner, impetuous, a very quick man in his reactions, very confident of his own abilities. I might say his own charm. His transition to the political field was understandable considering his many talents. As a generation of voters later found out, he was imprecise in his speech and lacked a certain delicacy of consideration. I will confess that I did not suspect in him at that time the depth of interest in the one-world concept which he later expounded. I think you would have to say that he grew. I

don't know that I was altogether wrong for failing to appreciate him. I think with reference to the national arena, he began to think of himself in a presidential context as he became aware of the importance of what he said and did in the affairs of the nation. He learned a responsibility and circumspect discretion which were not his trademarks for the period when I had dealings with him.

DR. CRAWFORD: During the 1930's?

MR. SWIDLER: During the early 1930's, especially.

DR. CRAWFORD: What did you do to counteract his campaign to influence public relations against TVA?

MR. SWIDLER: It was partly a matter of deeds and partly a matter of words. We proceeded with programs under a general umbrella of ideas which would capture the imagination of people in the Tennessee Valley and of the country. Fundamentally what stood TVA in good stead is that it was needed at that time and place in history.

People have forgotten now that at the time this part of the country was considered the nation's economic problem number one. The Tennessee Valley had a concentration of overall poverty and a pile-up of resource and economic problems which were greater than existed, probably, anywhere else. The Valley was not making effective use of its resources in this land of lush waters, of great falls in the rivers. The river was only a source of floods and misery. Malaria was rampant. The average per capita income was one-third of that of the country as a whole. The resource base was running downhill. Erosion was a very serious problem in

the hills of the Tennessee Valley. The land did not lend itself to the kind of agriculture to which it was being devoted. Tobacco, cotton, corn were leaching the soil. They were planted in such a way so as to lend themselves to the process of erosion. All in all it was an area that was in a bad state of repair. But it had these enormous resources. It had a lot of water, and water when it is used properly is a very great resource. It had the fall of the river, which when harnessed can produce lots of power. It had great resources in coal, which at that time was not a source of enrichment to either the miners or the operators.

There were other resources that other areas had that it didn't have. It has no shoreline, no oil, no headstart in attracting industry such as some of the northern states had available on which to build. It didn't have easy access to prosperity, but it did have resources with which to work if you knew what you were doing and sought to harness it. Now, this process of harnessing the resources, mobilizing them in a way to contribute them to the economic development of the region, was the greatest source of TVA strength. In addition to that, of course, there was the problem of telling the story--the game of getting your story out before the other fellow, to think in terms of newspaper deadlines, having access to this influential group or that, all of these were involved in the combat with Willkie.

DR. CRAWFORD: Were there any particular people that you relied on to get the TVA story before the people you wanted to get it to, such as the New York and Washington press and people in Congress?

MR. SWIDLER: I'm sure that there were, and I know some of them.

But I think your best source on that is probably Marguerite Owen. In Knoxville I think it was a matter of assisting in the preparation of speeches and letters and press releases, in addition, of course, to the carrying on the work of the agency. Subsequently, there were, of course, writers to whom the TVA programs were very dear. At that time and still.

DR. CRAWFORD: Did you rely heavily on Miss Owen in the Washington office?

MR. SWIDLER: Yes. Miss Owen has always had an important role in the TVA, and it is difficult to tell the Washington part of the TVA story without recognizing her contribution.

DR. CRAWFORD: Were there others also who did an important part in the Washington office?

MR. SWIDLER: I think not. That's been a one-woman operation.

Lilienthal has more of the flair for that sort of thing than anyone else who has been a TVA director. He had many political and editorial friendships which proved useful, but I think that most of the arrangements of this sort were handled by Miss Owen.

DR. CRAWFORD: What people were most important in your legal work for TVA during the 1930's?

MR. SWIDLER: When Sutherland made clear, after perhaps a year, that he could not spare the time from his practice to continue longer as what was called General Solicitor for TVA, a hunt went on for his successor. Mr. Lilienthal retained the title of General Counsel for several years, although he did not at any

time manage the legal staff. I might say that during the Sutherland days it was understandable that Lilienthal would retain that title, inasmuch as Sutherland was only a part-time head of the legal division. Ultimately, James Lawrence Fly was appointed. After a couple of years, Mr. Lilienthal relinquished to him the title of General Counsel, a role that he filled during the whole of his tenure with TVA, although, as I say, he had the title for only part of that time. He was General Counsel through the whole period of the constitutional litigation. The whole state of TVA hung on this litigation, and it was given a lot of attention by the Board.

Some of the responsibility for the litigation was shared by Mr. Fly with John Lord O'Brian, a distinguished lawyer who had been a Republican candidate for the Senate of New York. Before that, perhaps, mayor of Buffalo. He was the Assistant Attorney General, I believe, in either the Hoover or Coolidge administration. And he was a man with very independent views and great strength and courage, now practically retired, a senior partner of Covington and Burlin, the big law factory here in Washington. But Mr. Fly had the principal responsibility for pulling together the teams that prepared the cases, tried them, prepared for the appeals.

DR. CRAWFORD: What sort of teams did he pull together, Mr. Swidler, in terms of age, experience, training, and effectiveness?

MR. SWIDLER: He attracted a number of very bright young lawyers to Knoxville whose merits have won them recognition

elsewhere, which confirms his own judgment. One of them was a then young woman, Bessie Margolin, who is now Assistant Solicitor of the Department of Labor in charge of appellate work and has perhaps won as many Supreme Court cases as any lawyer in the country. Another was Joe Fowler--Henry H. Fowler--now a banker, I regret to say. I think he's too good a man to be a banker. He was former Secretary of the Treasury, and before that he was Chairman to the successful agency of the War Production Board, whatever that was named. Another was Herbert S. Marks, who later became General Counsel of Bonneville, then General Counsel of the A.E.C., a very good friend of mine, now dead. I was reminded of him last week when I saw "In the Matter of J. Robert Oppenheimer" at the National Theatre. He was mentioned in the play. One of the most brilliant was Melvin Siegel, who later was a member of the Solicitor General's office in the Department of Justice. He is now practicing law in Minneapolis. I think perhaps that of all of the young lawyers, his contribution was the greatest. I participated in the preparation of both cases, and in the trials in a modest way, but only very little in the appeals, because I had a kind of administrative responsibility in the power area that went beyond the legal responsibilities.

DR. CRAWFORD: Where did you fit in the administrative structure in the early period, Mr. Swidler? Were you in the legal department or were you an administrative official under David Lilienthal?

MR. SWIDLER: I was always in the legal department with a sometimes very awkward and uncertain relationship with the General

Counsel, because I reported directly to Mr. Lilienthal. For example, in the very early days, before the present TVA organization jelled, the responsibility for expansion of marketing--I was a member of the committee, and the other two members were Edward Falck, who became chief of the power operation, and William I. Nichols, who was for many years editor of This Week Magazine. Perhaps he still is. We shaped the early program for marketing TVA power, especially Mr. Falck and I, because very shortly Mr. Nichols left for New York and his publishing job. Falck and I carried on.

Later this responsibility was handled less informally. Falck was succeeded by J.A. Krug. He left to join the War Production Board, became Chief of the War Utilities, and Chairman of the War Production Board and Secretary of the Interior. As I said, he and I worked as a team on the major negotiations. I had had more background in these negotiations than anyone else, referring to the negotiations which took place before he joined us. I think it's fair to say that I headed it. After he joined TVA, it began to get a more formal structure. It was very solid and capable.

DR. CRAWFORD: I believe, if I remember correctly from our interview, that he came in '34 or '35, not until the mid-thirties somewhere, at any rate.

MR. SWIDLER: I think it was '37.

DR. CRAWFORD: Was his title Chief Power Officer then?

MR. SWIDLER: Yes, and he did a very good job and laid the foundations there of his later career. The negotiations of these transactions involved very difficult legal

as well as technical and engineering consideration. He and I thereafter worked as a team.

DR. CRAWFORD: Did you work in the Eighteen Power Companies case?

What was your work at that time?

MR. SWIDLER: I participated in the Eighteen Power Companies case. I did things that most of the other young lawyers were doing, in addition to continuing these relationships with the TVA power distributors, both actual and potential. I prepared memoranda of law. I interviewed witnesses. I prepared drafts of testimony. I participated in discussion of legal strategy, and I participated in the decisions that were made as to the conduct of the case. I virtually dropped out after the trial, in the brief-writing stage, and the writing of the briefs was done largely by the other members of the team that I mentioned. I might add to that, however, that Mr. Fly brought in a number of consultants. I don't remember the names of all of them but one of them was Paul Freund, who was then in the General Solicitor's office of the Department of Justice. He is now, as you may know, a professor of law at Harvard and a man whose name has been bobbing up for the last fifteen years every time there is a vacancy on the Supreme Court. By now, perhaps, he is too old to be considered for future vacancies, but he is a very, very brilliant legal scholar. Most of the people I have mentioned came from either Harvard or Yale law schools and were outstanding in their respective classes.

I think it's only fair to the memory of Larry Fly to say that he must have had great qualities of leadership to bring so many

able people to Knoxville during this important period in TVA's history.

DR. CRAWFORD: What attorneys did you use for arguing the Eighteen Power Companies case?

MR. SWIDLER: John Lord O'Brian carried the major burden of the argument. He argued the Ashwander case in the district court and in the court of appeals, as well. No, in the district court I think he shared the argument with Mr. Fly. He argued the case in the court of appeals, and he argued it in the Supreme Court.

In the Eighteen Companies case, as I recall, he shared the argument in the Supreme Court with Mr. Fly. He is, I think, one of the great advocates of our time, and carried a heavy responsibility, primarily of the presentation of TVA's case in the courts in argument. I repeat that the organization of the case was Fly's responsibility, and one that his shoulders were broad enough to carry.

DR. CRAWFORD: Why do you think that Mr. Fly was able to assemble this school of legal talent?

MR. SWIDLER: Well, there were a number of reasons. One of them was that, I suppose, the work had some glamour attached to it. Another was that he kept burnished his contacts with Ben Cohen and Tom Corcoran here in Washington, who were among the best of the recruiters of able lawyers for the New Deal.

DR. CRAWFORD: Did they refer young lawyers to him?

MR. SWIDLER: I'm sure that they did. Actually, Tom Corcoran's brother, Howard, who is now a judge of the District

Court here in the District of Columbia, worked at TVA for about a year. But I think that he left before he had an opportunity to make much of a contribution.

DR. CRAWFORD: During this time did you report regularly to Mr. Lilienthal himself?

MR. SWIDLER: Yes, I was in regular communication with him. I thought a great deal of him. On power matters in the early years I think I was probably his principal aide, and in some ways on general administrative matters--such as his controversy with Arthur Morgan--I worked with him very closely.

DR. CRAWFORD: Did you occupy a position something like that of administrative assistant to Mr. Lilienthal?

MR. SWIDLER: No, I did not. I occupied a position more like that of House Counsel for Mr. Lilienthal. I did not run any of his administrative chores.

DR. CRAWFORD: I believe that his major responsibilities after the division by the Board were power and legal division. You were active in both, weren't you?

MR. SWIDLER: Yes. Of course, there came a stage when the controversy between Lilienthal and Arthur Morgan reached a point of crisis and when Lilienthal and Harcourt Morgan acted to take over some of the major decisions about expansion of construction, because this became so involved with the power program that the two could not be separated. The direction of that program became the major forum of contention between the two.

DR. CRAWFORD: When did the controversy start, and when do you

think it reached the critical period?

MR. SWIDLER: I don't think I can give you the dates. This is covered pretty well in the hearings that were conducted by the joint congressional investigating committee.

DR. CRAWFORD: I believe you had an active part in the testimony of the hearing, didn't you Mr. Swidler?

MR. SWIDLER: Yes, I did. In addition, Mr. Morgan intervened in the controversy with Willkie in a way that added greatly to Mr. Lilienthal's burdens, appearing to side with Willkie in a very delicate matter and one vital to TVA's future. To my recollection, the point of no return came in connection with negotiations with Alcoa and with respect to the Fontana Dam site.

This marks an intermission in the interview. I believe that Professor Crawford intends to resume on another occasion, but before concluding this part of the interview, I want to correct what I said about the young people who participated in the trial of the constitutional case. I omitted Charles J. McCarthy, who is now my partner here. He succeeded me as General Counsel of TVA. I omitted him because I was thinking in historical terms, and Mr. McCarthy is in the next office. But he was also a member, a very important member, of that legal team. Other names may come to me.

THIS IS THE ORAL HISTORY RESEARCH OFFICE OF MEMPHIS STATE UNIVERSITY. THE PROJECT IS AN ORAL HISTORY OF THE TENNESSEE VALLEY AUTHORITY. THE DATE IS DECEMBER 8, 1969. THE PLACE IS WASHINGTON, D.C. THE INTERVIEW IS WITH MR. JOSEPH SWIDLER, FORMERLY WITH THE TENNESSEE VALLEY AUTHORITY. THE INTERVIEW IS BY DR. CHARLES W. CRAWFORD, DIRECTOR OF THE MEMPHIS STATE UNIVERSITY ORAL HISTORY RESEARCH OFFICE. TRANSCRIBED BY ELIZABETH SHELTON. INTERVIEW II.

DR. CRAWFORD: Mr. Swidler, before we start, do you have any information that you want to recollect that you failed to get on the tape in the last session?

MR. SWIDLER: Yes, in talking about the people who did the work in the two constitutional cases I excluded one very important personality, William C. Fitts, Jr., who was really Mr. Fly's second-in-command. I believe that he had the title of Solicitor. He was active in the actual work of the trial and in the preparation for trial and in the briefing stage. I don't know how I happened to omit his name.

DR. CRAWFORD: Before we get further into this, Mr. Swidler, do you recollect the services of any other people who should be interviewed in this oral history? Those not previously mentioned?

MR. SWIDLER: I don't recall at the moment just who was on your list. Do you have Walt Seymour on your list?

DR. CRAWFORD: Yes, sir, I believe we do. He is in New York with the Development Resources.

MR. SWIDLER: Yes, and of course, you have Roland Kampmeier on your list?

DR. CRAWFORD: Yes, as a matter of fact, I believe I have an interview with him next week, or soon, at any rate.

MR. SWIDLER: I mentioned Llewellyn Evans. Did you manage to check up on whether he is still alive?

DR. CRAWFORD: He is still alive, according to our reports. I have checked, and he is now on our list. As a matter of fact, I may have a letter off for an appointment with him now, but I believe that I have no scheduled date.

MR. SWIDLER: If you have not already interviewed John Lord O'Brien, I would certainly recommend that you do that. Is he on your list?

DR. CRAWFORD: I believe that he is on the list for January, though I may be incorrect about the date.

MR. SWIDLER: Well, very good. Mr. O'Brien is now 95, but his memory is excellent. It's better than mine, and he had a very crucial role. He will probably want to tell you about this incident himself, but I might mention it as a basis for talking with him. I have already referred to the controversy between Lilienthal and Dr. A.E. Morgan. Morgan was so embittered and had developed such a state of antagonism and suspicion that he embraced in his charges the lawyers who were working on the Tennessee Electric Power Case. This was at the time of the Congressional Investigation of TVA, and it was one of the charges that he threw into the pot in his controversy with Lilienthal.

Naturally, this could have had a very serious effect on the

litigation. It had a serious impact on morale. It was a kind of charge of bad faith, of concocting a story for legal purposes that didn't jibe with the facts. This could have discredited both the lawyers as individuals and their efforts to defend TVA. The matter came up before the investigating committee, and Mr. O'Brien appeared as a witness to defend the ability and propriety and ethics of the lawyers who were defending TVA. He did this with great brilliance. I think that it served to wash out those particular charges, and although Mr. O'Brien himself kept aloof from the personalities that were involved in the controversy, the effect, of course, was to deflate the charges of Arthur Morgan.

I think that this contributed as much as anything to destroying the image he was seeking to build up of the man of righteousness who was in combat with the colleague who was cutting corners. The truth was really the reverse in that situation. I don't believe that I mentioned this, did I, in my last interview? Now, what would you like to have me talk about?

DR. CRAWFORD: Well, sir, let's go ahead with the investigation of

'33. I believe that was the point we had reached. But first, did Arthur Morgan feel that the legal division of TVA was against him because it was structured under David Lilienthal?

MR. SWIDLER: Yes, he did. I think he felt very much at a disadvantage because of Lilienthal's legal background and his familiarity with the lawyers as individuals and his ability to use them. I don't think that Arthur Morgan had ever been in a situation where lawyers were important before. They were simply the people that you asked to draw the contracts

after everything had been negotiated. And after he found that lawyers were useful in structuring the transaction and the agency and in defense, that the future of TVA was going to be decided in the courtroom and that the loyalties and the beliefs of the lawyers was important, this frustrated him.

I remember that he once called me in and in a way sought to enlist my loyalty. He asked me to advise him personally on what was going on in the division of law and to appraise the work of my own superiors. My recollection of that interview is that I did not lend myself to this crossing of organizational lines, and the situation was not repeated.

DR. CRAWFORD: About when did that happen, Mr. Swidler? Was that shortly before the investigation and the Congressional Hearing, or was that earlier?

MR. SWIDLER: It happened earlier. It happened before the line was sharply drawn as they were in the last year, say, before the hearing.

DR. CRAWFORD: Did Arthur Morgan later see the value of legal assistance? Did he seek counsel of his own about the hearing time or before?

MR. SWIDLER: No, not within TVA ranks, at least. I have a vague impression that he did consult outside counsel. I don't remember now who it was, but he did secure the assistance of outside help, because I think he felt that the lawyers within TVA were all against him, which was true by that time. He had begun to pursue a course that was so destructive that he lost the sympathy of not only the lawyers, but most of the

other administrative people.

DR. CRAWFORD: Did he simply resent authority of the attorneys because they were under Dave Lilienthal, or did he ever have specific cause to resent the lawyers?

MR. SWIDLER: Well, I think he felt that they were biased. The course that he was pursuing was one that was inconsistent with what the lawyers were trying to do. He was, as an individual, fomenting resistance to the decisions of the Board. Now, right or wrong, of course, this kind of thing is terribly disruptive and expensive in morale and progress. He was appealing over the head of his own Board to the public, newspapers, to the Congress, and in the process didn't hesitate to challenge the good name and the honesty of anyone who disagreed with him. So that by the time of the investigation, I think he had few friends except among the engineers where he had been responsible for recruitment and whose members were not as alert to the conditions as the lawyers were.

DR. CRAWFORD: It seems to me that many of the early TVA employees in responsible positions were either engineers or lawyers. How did they work together, Mr. Swidler? Was there any general difference of outlook?

MR. SWIDLER: They came to work together very beautifully, and this was one of the great achievements of TVA. I think that one of the claims that can rightfully be made is that TVA managed to blend into a working team the people representing a variety of disciplines. The meshing was most successful in connection with the preparations for litigation where the lawyers needed to know the engineering assumptions on which the program of

TVA was being planned. The engineers in turn needed to know the legal limits within which they might conduct the plans. In the process of preparing for these two trials, there was a great deal of collaboration and a great deal of learning from each other, and I think it was as much as anything this interchange that was responsible for sharpening and shaping the TVA program in detail.

DR. CRAWFORD: Did the lawyers and engineers work together well in the preparation for the Congressional hearing? I know a great deal of testimony was required then.

MR. SWIDLER: My recollection is that not many engineers testified. I don't quite know why. Perhaps everyone respected the fact that their loyalties were involved in a way which made it difficult for them to participate.

DR. CRAWFORD: It seems to me that David Lilienthal was much more effective--at least much more successful--in dealing with the press and with officials in Washington. Why do you believe that he was?

MR. SWIDLER: Well, Lilienthal was a professional public servant by that time. He understood much better how the machinery of government functioned, and he was a younger man who found it easier to talk to people in authority in Washington than A.E. Morgan did. Morgan basically was an authoritarian figure, as we would call him today. He thought that he knew what was the right thing to do. He was very much convinced that he had, if not a monopoly on rectitude, at least a far larger share of it than anyone with whom he was associated, and it came hard for him to

clear with others, to realize that he was a part of a complex government organization, to make the necessary preparations for a Congressional hearing, to establish good relationships with members of Congress, to understand the role of the White House, the role of the Bureau of the Budget, of the various other government agencies. He was really not very well versed in government administration. Lilienthal, on the other hand, was very apt in this way.

Morgan was the kind of a man who would get so fired up with his Tolstoyan visions that he neglected the question of how practical they were and what was required to put them into effect. He was a practical man only at the engineering level. And he had no awareness of the limitations of the engineering discipline. I think he pulled together an excellent team of engineers to build dams, but his visions of solutions to social problems were unreal.

DR. CRAWFORD: Were they basically engineers' solutions attempting to find aspects in engineering to matters concerning the people?

MR. SWIDLER: Well, perhaps in a large sense, yes. He would see a--what shall I say--a structural answer to almost any problem. If, well, the town of Norris, for example, was very much his creation. He thought of this in terms of a community organized on a co-operative principle, and he attempted to determine each of the details of the town. He and his wife, Lucy, who had a considerable voice, designed the houses, picked out the materials, determined what should be permitted in the town and

what should not. He thought that he had the vision and the wisdom to lay out the lives of every individual in that community.

He had a similar vision that you could solve the problems of poverty by following his precepts. I think this is reflected somewhere. He was advocating a separate coinage for the Tennessee Valley. He was sure that he knew what people should eat and how they should dress and how they should till the soil and what they should do for recreation.

Well, this reminded me a little of my experience as a child with King Ben in the House of David religious community in Benton Harbor, Michigan, where I used to go as a boy. But King Ben was able to create an enclave which was sealed off from the rest of the world, and Arthur Morgan wasn't able to seal off the Tennessee Valley.

DR. CRAWFORD: Is it fair to say that Arthur Morgan felt little need of hearing support from anyone; David Lilienthal was particularly effective in dealing with public officials and the press; and Harcourt Morgan's strength was in securing support from the people in the area?

MR. SWIDLER: I think all of that is sound. Of course, as time went on, Lilienthal showed an amazing capacity for acceptance by the people of the Tennessee Valley, considering that he was a Northerner, a child of Jewish parentage, although he was not, I believe, a practicing Jew. He was a Harvard Law School graduate, in an area where this was not a general recommendation. He nevertheless, managed to capture the respect--the attention, as well as the respect--and after a while the affection and the

imagination of the people of the Tennessee Valley in a way that no one else had done.

DR. CRAWFORD: Do you believe that he learned much from Harcourt Morgan in that respect?

MR. SWIDLER: I think Harcourt Morgan was undoubtedly very helpful to him. Harcourt Morgan was a product of the land-grant college system, which is heavily politicized, if that's the word. The people who operated these colleges then, as I presume now, had to learn where their sources of support rested, and they built up their grass roots alliances. I think that Lilienthal did learn a lot about that from Harcourt. We all called him "Doc", by the way.

More than I think that he had the benefit of the specific friendships and associations that Harcourt Morgan had built up in the 25 years or so that he had been the Head of the University of Tennessee.

DR. CRAWFORD: Was David Lilienthal able to deal effectively with these people, as he became acquainted with them?

MR. SWIDLER: Yes, I think one of Lilienthal's greatest achievements was the ability to become a part of the leadership group in the Tennessee Valley and to assert his own intellectual domination over the programs in the Tennessee Valley. When you consider that TVA had really no police power, that was a government agency that couldn't tell anyone to do anything, or not to do anything, except that it had power of eminent domain, and that it could only be successful by convincing the people of the Tennessee Valley that it could help them and that the program was



sound. It had a great deal of well-financed opposition.

DR. CRAWFORD: That was from the power companies, do you think?

MR. SWIDLER: Mainly from the power companies, although the fertilizer companies were in opposition during most of that period; as well as the railroads which feared the development of the waterways. I think you would have to say most of the large industrial and commercial interests in the Tennessee Valley were opposed, and yet, a hundred cities, more or less, in the Tennessee Valley which had never owned their power systems, voted one after another to acquire them. They terminated the franchises with the existing power companies. They voted to build duplicating systems. They accepted and participated in this program in a way that could not have been achieved without exceptional intellectual leadership, and this was provided by Lilienthal.

DR. CRAWFORD: Do you believe that Harcourt Morgan's influence on the TVA Board was greatest in the early thirties, say, before the departure of Arthur Morgan? During World War II or after World War II? That, as you may see, is one of the points we will have trouble with since he alone of the three original directors is now gone.

MR. SWIDLER: It's hard for me to answer that question. I didn't sit in on Board meetings in the early years, except those involving matters that I had worked on. I think it's fair to say that he was probably most influential in setting patterns and policies in the early years. Those were followed in the later ones, as well. I don't think that his participation was as

important in the later years, because he already made his mark in the development of attitudes and policies and relationships.

DR. CRAWFORD: David Lilienthal, on the other hand, seems to have been remarkably influential throughout the entire period. Does that seem correct to you, even before he became Chairman?

MR. SWIDLER: Yes, I think that when it became apparent that Arthur Morgan was not a sufficiently practical or level-headed administrator to develop a successful program, that the Board very early began to line up in a way that would avoid having him lead the agency into serious mistakes, and that Harcourt, by temperament, was not well-suited to assert the leadership in what fast became a two-man majority against the Chairman. So this role fell to Lilienthal. Their relations were very, very good. Harcourt was old enough to be Lilienthal's father, and they had what was almost a father-son relationship.

DR. CRAWFORD: Do you feel that Harcourt Morgan, then was one of the men who influenced David Lilienthal most in his early years as Director?

MR. SWIDLER: I think this is fair. Without some guidance from Harcourt Morgan on how to anchor the program in the existing institutions in the Tennessee Valley, it would have been much more difficult for Lilienthal to have developed a workable program.

DR. CRAWFORD: How would you assess Harcourt Morgan's role as Director in regard to his administrative strengths and weaknesses?

MR. SWIDLER: Well, Harcourt was, of course, primarily an agricultural expert, but he had a vision of his own which was, I believe, ahead of his time. He looked at the overall cycle of nature rather than focusing on details of crops or cattle. He had, I remember, an illustration of the hydrologic cycle which was his favorite text. He would show from that how the water rose from the sea to the clouds and fell on the land, was absorbed by the soil, and rose through the vegetation, which gave off the chemicals again into the air where they would again be taken up into the clouds and the cycle repeated. He thought in these basic and eternal terms. He sought to fit the activities of TVA into this cycle. He saw all of the TVA program as having a place in it.

For example, the electricity was to be used to make the fertilizers, and the fertilizers to improve the soil and help hold the soil on the land for the vegetation, which would in turn improve and make its contribution to this hydrologic cycle. Everything in his view was fitted into this one great cycle of nature, even though this took, I thought, a little straining to do. But because he spoke as a visionary and yet, everyone knew he had his feet firmly planted in the ground, this was the kind of prophet that the people of the Tennessee Valley liked--someone who could see the big picture, but who never got too far from the stable and the practical problems of running farms.

DR. CRAWFORD: Is it possible that he was somewhat ahead of his time with his common-moorings idea of ecological balance and the conservation of total resources?

MR. SWIDLER: I'm not familiar enough with the literature of his day to know whether he was ahead of his time or not among the professionals in his field. I think he was ahead of his time in pointing out these trends to the people of the Tennessee Valley, yes.

DR. CRAWFORD: Does it seem to you that in the early period of TVA that David Lilienthal was more practical and less a visionary than either of the two Morgans?

MR. SWIDLER: I don't know that you'd say that he was more practical than Harcourt Morgan. I think he had a better understanding of the federal system and the federal-state relationship. He, of course, was more intellectual and agile. He was a better speaker and writer. He could establish rapport with the officials in Washington. He spoke very much the language of the New Deal in those early days and made TVA an important part of it, so that I think his talent was pretty important to the progress of TVA. But I don't think any of this was beyond Harcourt Morgan's ken. He understood this and sympathized with it, even though he wasn't perhaps quite the man to carry on the detailed work himself.

So far as Arthur Morgan was concerned, I think yes, that he didn't understand how a government program functioned at all. His solutions were technocratic solutions.

DR. CRAWFORD: Do you feel that David Lilienthal was the best adapted for the day-to-day work of administration in supervising an agency?

MR. SWIDLER: Well, I think Lilienthal was best adapted for the

central leadership role. I don't think he was best adapted, for example, to running the details of a department. Although he retained the title of General Counsel, as I mentioned last week, he never really functioned in that role.

Now, Arthur Morgan, on the other hand, was active in the engineering work of TVA. He did a great deal of the recruitment and had quite a hand in the basic decisions on design. He had run an engineering organization, and I think he was a better administrator of a department than Lilienthal was. But he didn't have Lilienthal's program sense or his talent for program leadership, which was crucial at that time. You could get someone else to run the engineering department, but the members of TVA Board had a larger role.

DR. CRAWFORD: Well, considering Arthur Morgan's early success as a businessman, why do you suppose he was so incapable of creating ideas and getting them accepted in TVA? I know that many of his ideas were considered totally impractical and were not put into effect.

MR. SWIDLER: I think this just reinforces the distinction between the talent that is required of a businessman or of an engineer as compared with those of a government administrator. I think it requires a better understanding of people and a better understanding of institutional relationships--a better understanding of the cultural factor in designing programs which affect people's lives.

In that sense, Lilienthal was the conservative because he knew you were dealing with customs and institutions that were

deeply imbedded, and that the process of change could only be achieved slowly and through education and through developing a new consensus. In addition, you find that the businessman in government tends sometimes to apply business principles in a kind of reverse way. The businessman who had looked at government from the eyes of business and says, "I know how to do that," doesn't necessarily think that he is going to run the government the way he ran the corner drugstore or his parts factory. He thinks he knows how to bring his business principles into government, but sometimes it is in a reverse way. For example, he may feel--and many businessmen do feel--that the best thing the government can do is to help businessmen on almost any terms. Whereas, government people may say that the best way to run the government is as though it were a business, so that you get a curious reversal of roles. The businessmen come in and say "Let's give it all away to business." Then the old government hands come in, and they say, "We've got to have the same kind of economy, the same kind of close administration, the same need to get a dollar's worth of benefit for every of expenditure in governmental activities as in private." This was apparent in these dealings that I've mentioned.

In connection with Alcoa, it was Arthur Morgan who was wanting to make a long-term contract with Alcoa that would have been one-mill power and that practically gave away the water power of the Tennessee Valley to Alcoa for nothing. It was Lilienthal that said, "This is not a time to bargain from weakness. Let us wait to make our arrangements with Alcoa until we have a better

bargaining position." Ultimately, he worked out a much better arrangement.

DR. CRAWFORD: David Lilienthal, by all accounts, from all evidence, was an exceptional leader. What factors do you think caused that, Mr. Swidler? What abilities did he have that were not usual?

MR. SWIDLER: Well, of course, he has a lot of common sense, a streak of fiscal conservatism. I think it was probably helpful to him in the Tennessee Valley that he was brought up in a small town in Indiana, and had taken his undergraduate work at a small school, DePauw University. He was, of course, articulate. He's a man of ideas, a very intelligent, if not a brilliant, person. He works very hard, and he knew his role. He tried to avoid getting involved in details, and he had a set of priorities for himself, which involved spending a lot of his time in thinking and in looking at broad policies and program problems.

DR. CRAWFORD: Do you believe this was a deliberate policy of his?

MR. SWIDLER: Yes, it was.

DR. CRAWFORD: How did he acquire the time and the opportunity to do that, involved in the administration as he was?

MR. SWIDLER: Mr. Lilienthal was pretty good about budgeting his time. He didn't suffer needless intrusions. He would withdraw. He's a pretty good actor, and this helped a lot. He gives an image of friendliness, of an out-going kind of personality. He has a kind of impressive appearance. I think

he's an excellent showman, in addition to his other talents.

DR. CRAWFORD: How do you think these talents developed? By accident? By other people?

MR. SWIDLER: Well, while Lilienthal's career is exceptional, it's not unique. I think that if you look at most of the people who were in important leadership positions, you would find many of the same combination of qualities. He happened to be the right man for that particular job.



